

Emerging Issues of Coffee Production, Productivity in India with Special Reference to Karnataka State

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1.Introduction:

1.1 Invention of coffee :

The genesis of coffee has been found in Ethiopia and it is the epicenter of where coffee came from. An Ethiopian Legend says the goat herder Kaldi first discovered the potential of these beloved beans. The story goes that Kaldi discovered coffee after he noticed that after eating the berries from a certain tree,his goats became so energetic that they did not want to sleep at night.

Research Methodology:

Major objectives of the study:

- 1) To examine the Area under coffee, production and productivity of coffee in the globe, India and Karnataka.
- 2) To examine the demand for coffee,market for coffee and coffee price forecast.

Nature and Source of data:

The study made with the help of secondary data and information obtained through journals,reports,periodicals and internet.

Implications of the study:

With the help of this study it is possible to get full knowledge related to the crop coffee which is a beverage , from which the day begins of the people who are having the coffee drinking habit.

Limitation of the study:

The study only focused one of the major plantation crops of coffee. But the study did not focused remaining plantation crops such as tea, rubber, coconut and arecanut. `

4. Results and Discussion;`

- Brazil is the largest producer of Coffee:

Brazil situated in South America, is the top producer of coffee. They produce 2.68 million metric tons of coffee on average every year. Brazil has also held onto its first place position as the world's largest coffee producer for over 150 years. Brazil's climate is perfect for growing Robusta and Arabica coffee beans.

- Biggest coffee consumer countries in the world:

Data as per May 18th 2023, Canada, annual coffee consumption per person stands at 14 lbs or 6.35 kg.

Luxemburg: Luxemburg's annual coffee consumption per person, like Canada 's stands at 14 lbs or 6.35 kgs followed by Belgium, Switzerland, Sweden, Netherlands, Iceland.

India's largest seller of coffee is Tata Coffee. Tata coffee is one of the most popular coffee brands in India. It is known for its rich and strong flavor. The company has its own plantations in South India, which produce some of the best quality coffee beans in the world.

- Asia's largest coffee producer:

Area under coffee is high in Indonesia and produces highest quantity of coffee. A third of the world's coffee beans are produced in Indonesia, most just as in Vietnam, are Robusta beans, although about 10 per cent are Arabica beans. Indonesia has three main coffee growing areas. Java, Sulawesi and Sumatra.

- India's rank in coffee production:

India is the sixth largest producer of coffee in the world, after Brazil, Vietnam, Colombia, Indonesia, Ethiopia and Honduras.

Vietnam is the second largest producer of coffee in the world. Although Vietnamese people still prefer tea over coffee. Robusta means have found their way to being the most produced variety in Vietnam, making up to an enormous 95 per cent out of all coffee produced.

- Largest market for coffee:

Comparing the 25 selected regions regarding the revenue in the coffee segment of the hot drinks market, the United States is leading the ranking (85.2 billion US dollars) and is followed by Japan with 40.2 billion US dollars data as on June 1st 2023.

- Profitability of coffee shops:

Based on the secondary data and information owners of independent single coffee shops earn between \$40,000 to \$60,000 per year. With two or more locations, owner salaries can rise to \$1,00,000 or more. This is very location-dependent and owners often earning more in high cost of living cities.

- Demand for coffee:

Coffee is still the leading beverage consumed in America. More, Americans drink coffee than any other beverage (65 per cent of them). The pandemic did not change how much coffee Americans drink, but where they drink it. In 2023, 83 per cent of coffee drinkers consumed coffee at home, up 4 per cent since 2020.

Even more people are venturing out to buy their favorite espresso drinks, overall coffee demand is currently decreasing due to a multitude of global economic, political and environmental concerns.

Despite the expected rise in global coffee consumption, the United States is forecasted to import less coffee this year. Coffee is still the leading beverage consumed in America, More Americans drink coffee than any other beverage (65 per cent of them). The pandemic did not change how much coffee Americans drink, but where they drink it. In 2023, 83 per cent of coffee drinkers consumed coffee at home, up 4 per cent since 2020. However, only 35 per cent of American coffee drinkers had coffee away from home, this percentage is up from a low of 31 per cent in January 2021 but down from 41 per cent in January 2020. Despite, the decreased demand in the US for coffee as a whole, the speciality coffee market is thriving in relation to conventional coffee. In, 2022, speciality coffee consumption hit a five-year high, 43 per cent of coffee drinkers chose specialty coffee consumption hit a five year high, 43 per cent of coffee drinkers chose specialty coffee, up 20 per cent since January 2021. This rising popularity is due to the inherent principles of specialty coffee, its high quality and social and environmental concern.

Coffee production and productivity and major coffee growing districts in Karnataka.

In 2022, productivity of coffee production for Karnataka was 1,062 kg per hectare. The state produces India's 70 per cent coffee. Karnataka is major grower of coffee accounts for 244785 hectares followed by Kerala and Tamil Nadu with total area of coffee plantation of 85880 hectares and 35607 hectares of coffee plantation respectively in 2017-18. 71 per cent of India's coffee is produced in Karnataka. The largest coffee producing region of Karnataka is Kodagu (Coorg) district. Kodagu district of Karnataka produces 33 per cent of the total coffee produced in India. The other major coffee producing regions of Karnataka are Chikmagalur, Hassan, Shimoga and Mysore. India's total coffee estimated cultivated area was more than 471 thousand hectares in the fiscal year 2022. The most common varieties of coffee that are cultivated across India are Arabica and Robusta beans as per 1st March 2023 data and statistics.

Maximum coffee production is done in the Kodagu district. The productivity of coffee per hectare is highest in Karnataka i.e., 983 kgs. 1211 kgs and 692 kgs of coffee of Robusta and Arabica per hectare is the productivity in Karnataka respectively in the year 2023.

The coffee plants thrived in the Western Ghats, with the unique microclimate of the region providing the perfect environment for their growth. Soon coffee plantations sprang up across the region, with Karnataka becoming the largest producer of coffee in India.

Coffee was first introduced in India at Chickmagalur during the Raj. Just a few hours' drive from Coorg, Chickmagalur is also one of the biggest contributors to India's coffee production. With slopes almost entirely covered with verdant plantations, Chickmagalur can never disappoint coffee lovers.

Coorg is the Coffee capital of India.. Coorg, the soul calling for every coffee admirer, a hill station in Karnataka.

- The best coffee shops in India are as follows:
 1. G-Shot coffee roaster and café, Goa.
 2. Curious Life coffee roasters, Jaipur.
 3. Third wave coffee roasters, Bangalore.
 4. Coffee culture, Mumbai.
 5. Chamiers, Chennai.
 6. United Coffee house, Delhi.
 7. The Flying squirrel, Bangalore.

8. Mocha Art café, Kochi.

- Coffee consumption:

Most of the coffee consumption , nearly 80,538 MT (78 per cent), of total coffee consumed in India . Among the south Indian states Tamil Nadu accounts for 36 per cent of consumption while Karnataka , Andhra Prades [and Kerala account for 31 per cent , 18 per cent and 15 per cent](#) respectively.

- Coffee Production Forecast 2023:-

In Vietnam, production is forecast at 30.9 million bags, down 700,000 from last year's record harvest. The cultivated area is forecast unchanged from the previous year, with more than 95% of total production still robusta.

Vietnam's coffee exports are forecast to decline by 1 million bags in the 2022-2023 crop year to 25 million bags, and ending stocks are almost unchanged at 3.5 million bags.

Colombia's Arabica production is forecast to remain unchanged at 13 million bags under normal production conditions. The reason is attributed to farmers' limited use of fertilizers due to the recent price spike.

Colombia heavily depends on imported fertilizer ingredients such as nitrogen, phosphorus and potassium.

The Colombian Coffee Growers Federation (Fedecafe) has provided some fertilizer through its replanting program, but it is not enough to meet the total fertilizer needs of its members.

Colombia's coffee exports are forecast to be similar to the previous crop at 11.8 million bags, mainly to the US and the European Union.

- European and American coffee imports continue to increase:

The European Union's coffee imports in the coffee year 2022-2023 are forecast to increase by 1 million bags to 46 million bags and account for 40% of the world's imported green coffee.

Top suppliers include Brazil (40%), Vietnam (20%), Uganda (8%) and Honduras (7%).

The United States, the second largest importer of green coffee, is forecast to increase imports by 500,000 bags in the 2022-2023 season, to 25.5 million bags.

Top suppliers include Brazil (30%), Colombia (19%), Vietnam (10%), and Honduras (7%). Ending stocks are forecast to increase by 300,000 bags to 6.5 million bags.

- Coffee Price Forecast 2023 :

According to estimates, in June 2022, Vietnam's coffee exports reached 145 thousand tons, worth 335 million USD, up 1.9% in volume and 3.2% in value compared to May 2022 compared to June 2021, it increased by 13.3% in volume and 34.7% in value.

Generally, in the first 6 months of 2022, Vietnam's coffee exports are estimated at approximately 1.03 million tons, worth US\$2.32 billion, up 21.7% in volume and 49.7% in value compared to the same period in 2021.

- Impact of price fluctuations of coffee on Coffee output recovers.

In June 2022, the average export price of Vietnamese coffee was estimated at \$2,309 per ton, up 1.3% compared to May 2022 and 18.9% higher than June 2021.

Generally, in the first six months of 2022, the average export price of Vietnam's coffee reached 2,258 USD/ton, up 23.1% over the same period in 2021.

In terms of categories: In May and the first five months of 2022, exports of Robusta, Arabica and processed coffee increased compared to the same period in 2021, excluding Excelsa coffee.

According to General Department of Customs statistics, Robusta coffee exports in May 2022 reached 125.1 thousand tons, worth USD 243.97 million, up 12% in volume and 37.1% in value. Compared to May 2021.

In the first five months of 2022, Robusta coffee exports reached 792.4 thousand tons, worth 1.56 billion USD, up 27.2% in volume and 60.5% in value over the same period in 2021.

Exports of Robusta coffee to many main markets increased, including Germany, Belgium, Italy, Spain, the United States, Russia, the UK, and the Netherlands. In contrast, exports of Robusta coffee to Japan, Algeria, China, Malaysia, and France decreased.

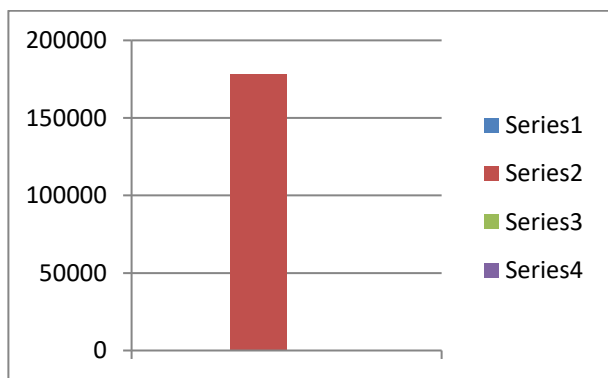
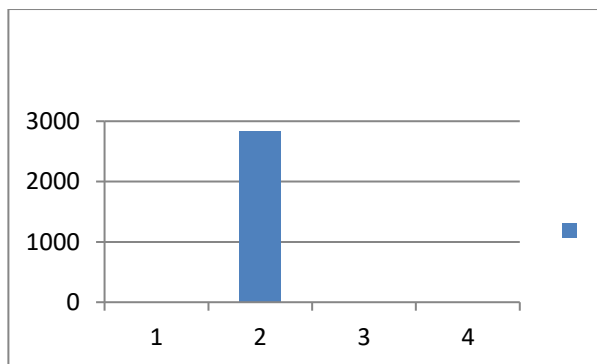
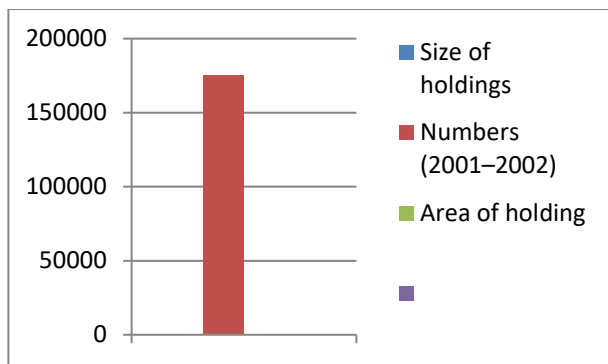
Share

- India's coffee exports for the marketing year 2023-24 beginning October are set to rise by 2 per cent to 6.3 million bags of 60 kg each (about 3.8 lakh tonnes) on strong export prospects,(the United States Department of Agriculture (USDA)'s local office in the country said).
- The USDA India Post in its latest projections expects the export demand for Indian coffees to remain strong throughout 2023-24.
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Table 1

Area under coffee production in India:

Size of holdings	Numbers (2001–2002)	Area of holding
Less than 10 ha 10 hectares (25 acres)	175,475	247,087 hectares (610,570 acres)
Between 10 and 100 ha and above	2,833	99,908 hectares (246,880 acres)
Total	178,308	346,995 hectares (857,440 acres)



Agricultural Yield: Coffee: Robusta: Traditional Areas: Karnataka

Agricultural Yield: Coffee: Robusta: Traditional Areas: Karnataka data was reported at 1,345.000 kg/ha in 2022. This records an increase from the previous number of 1,269.000 kg/ha for 2021. Agricultural Yield: Coffee: Robusta: Traditional Areas: Karnataka data is updated yearly, averaging 1,221.000 kg/ha from Mar 2008 to 2022, with 15 observations. The data reached an all-time high of 1,480.000 kg/ha in 2016 and a record low of 1,108.000 kg/ha in 2008. Agricultural Yield: Coffee: Robusta: Traditional Areas: Karnataka data remains active status in CEIC and is reported by Coffee Board. The data is categorized under India Premium Database’s Agriculture Sector – Table IN.RIC033: Yield of Non Foodgrains in Major States: Coffee: Robusta.

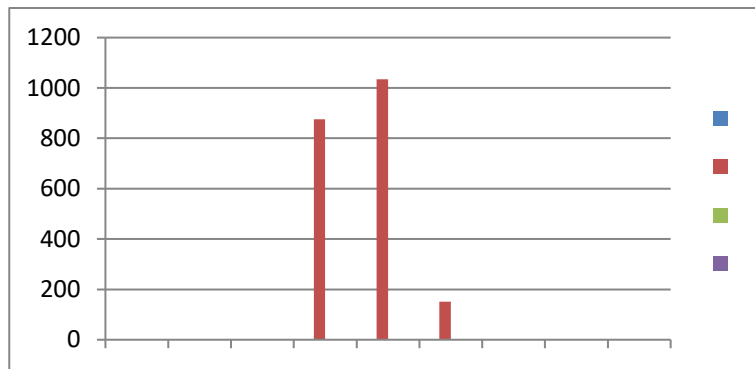
Table 1.2

Details of Agricultural yield of Coffee plantation

Agricultural Yield: Coffee: Robusta: Traditional Areas: Karnataka (kg/ha)	1,269.0002021 yearly	2008 - 2021
Agricultural Yield: Coffee: Robusta: Traditional Areas: Tamil Nadu (kg/ha)	875.0002022	2008 - 2022
India Agricultural Yield: Coffee: Robusta: Traditional Areas (kg/ha)	1,035.0002018	2008 - 2018
Agricultural Yield: Coffee: Robusta: Non Traditional Areas: Andhra Pradesh (kg/ha)	151.0002022 yearly	2012 – 2022
India Agricultural Yield: Coffee: Robusta: Non Traditional Areas (kg/ha)	9.0Dec 2022	Jun 1996 - Dec 2022

INDICATOR TABLE

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Coffee, Area details of the Coorg district:

The Kodagu district comprises of five taluks – Madikeri, Virajpet, Ponnampet, Somwarpet & Kushalnaagar. The District has a total geographical area of 4106 sq. Km and Coffee is being cultivated in 1197 sq km of area. In Kodagu district, Coffee is grown in 1,06,921 ha, which accounts to 44% of the total coffee area of the state of Karnataka. Most of the coffee area of the district is owned by small growers, i.e., with less than 10 hectares. Kodagu produces coffee crop of about 1,10,730 MT per year, which accounts to 50% of the State’s and 35% of Country’s production. As the Coffee cultivation is a labour oriented, in Kodagu, 51% of employment is being generated in the Coffee plantations.

Coffee cultivation is being done depending on the region specific environmental condition. Robusta Coffee is mainly grown in Madikeri, Virajpet, Ponnampet & Kushalnagar Taluk and Arabica Coffee is the main crop of Somwarpet Taluk.

TALUK	VARIETY	PLANTED AREA (Ha)	BEARING AREA (Ha)	No. OF HOLDINGS	No. OF VILLAGES
MADIKERI	Arabica	1250	1190	12408	77
	Robusta	22956	21348		
	Total	24206	22538		

SOMWARPET &	Arabica	24050	22400	10108	158	
KUSHALNAGAR	Robusta	6870	5890			
	Total	30,920		28,290		
VIRAJPET &	Arabica	1740	1672	21445	124	
PONNAMPET						
	Robusta	67746	1388	Robusta	67746	
	Robusta	50055	48781			
	Total	51795	50453			
	Total	23950	1076	Total	23950	
MADIKERI	Arabica	691	473	MADIKERI	Arabica	
	Robusta	23259	1118	Robusta	23259	
	Total	23950	1076			
SOMWARPET & KUSHALNAGAR	Arabica	16141		6749	1246	1246
	Robusta	6749	1246			
	Total	22890	813			
VIRAJPET & PONNAMPET	Arabica	1015	603		67746	1388
	Robusta	67746	1388			
	Total	68761	1362			

Source: Coorg District Profile.

The Coffee Board offers following services to growers at different levels,

- Technological assistance for crop improvement and Pest and Disease management, Advisory, Training, Demonstrations, Village Level Workshops, Farmers’ Filed School, Capacity Building Program, Farmers Tours, Exposure Visits, Seminar and Vocational Training Programs (especially for women coffee growers) are being provided. Also, a Coffee Krishi Tharanga platform – a customized two-way IVR helpline is available 24/7 is being provided.

- Providing timely advisory to coffee growers through personal visit or through social media platforms.
- Collection of soil samples from coffee plantations and send them to research centers to promote the use of balanced fertilizers based on the soil analytical results.
- Supply of Broca traps, lure materials and seed coffee to encourage adoption of environmental friendly pest control measures.

Development Division:

During previous years of different plan periods, Coffee growers have been assisted with financial support for various infrastructures development programme viz., Replantation & Expansion programme, Water Augmentation, Quality Upgradation, Mechanization, Eco certification of coffee, Financial scholarships under Labour Welfare Measures and Market Development scheme.

Coffee Board is also encouraging entrepreneurs who want to set up a Roasting and Grinding Unit to expand the domestic market in the country. Exclusive schemes to support SC/ST beneficiaries have also been implemented.

Recognizing the importance of Coffee in the Economy of the District, Coffee Crop has been selected for the Kodagu District under the Government of India's "One District One Product" programme. Under this scheme, 50 per cent assistance (35% from central Government and 15% from State Government) will be provided for setting up Coffee related small enterprises / activities. The project is being implemented in the state of Karnataka through the Agriculture Department.

The Coffee Quality Division of the Board is conducting training programs in various locations of the country to promote domestic coffee consumption. The enthusiastic youths who have participated in the event have already opened coffee cafes in the cities of North India and are promoting their coffee. Programs like this are expected to boost coffee demand in North India in the near future.

Conclusion:

Coffee has considered as one of the major plantation crop in India. In malnad areas of South India majority of the people are having the habit of coffee drinking in the morning hours. To enhance coffee consumption coffee board took several measures. Central and State Governments took appropriate initiation to promote coffee production, to enhance yield, to provide remunerative price for coffee plantation in turn safeguard the interests of coffee planters.

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